

**STATE OF MISSOURI, ex rel.
Attorney General Chris Koster,**

Plaintiff,

vs.

**PAUL KREMER
an individual,
d/b/a Kremer Exterior**

**Serve at:
2108 Melody Drive
Jefferson City, MO 65109**

Defendant.

Division:

1. Chris Koster is the duly elected, qualified, and acting Attorney General of the State of Missouri and brings this action in his official capacity

pursuant to Chapter 407, RSMo 2010.¹

2. Defendant Paul Kremer is an individual that resides at 2108 Melody Drive, Jefferson City, Cole County, Missouri 65109 and has done business in Jefferson City, Missouri as Kremer Exterior.

3. Any acts, practices, methods, uses, solicitations, or conduct of the Defendant alleged in this petition include the acts, practices, methods, uses, solicitations, or conduct of Defendant's employees, agents, or other representatives acting under their direction, control, or authority.

JURISDICTION

4. This Court has subject matter jurisdiction over this action under Art. V, § 14 Mo. Const. and § 407.010 et. seq., which allows the Attorney General to seek injunctive relief and civil penalties for violations of § 407.020.

VENUE

5. Venue is proper in this Court pursuant to § 407.100.7, which provides that "[a]ny action under this section may be brought in the county in which the defendant resides, in which the violation alleged to have been committed occurred, or in which the defendant has his principal place of

¹ All references are to Missouri Revised Statutes 2010, unless otherwise noted. Where a citation gives a supplement year—*e.g.* "(Supp. 2011)"—the citation is to the version of the statute that appears in the corresponding supplementary version of the Missouri Revised Statutes, and, where relevant, to identical versions published in previous supplements.

business.”

6. Defendant has advertised, marketed, and offered for sale exterior restoration services in Jefferson City, Missouri, and has engaged in the acts, practices, methods, uses, and conduct described below in violation of § 407.020 in Jefferson City, Cole County, Missouri, among other Missouri locations.

MERCHANDISING PRACTICES ACT

7. Section 407.020 of the Merchandising Practices Act provides in pertinent part:

The act, use or employment by any person of any deception, fraud, false pretense, false promise, misrepresentation, unfair practice or the concealment, suppression, or omission of any material fact in connection with the sale or advertisement of any merchandise in trade or commerce or the solicitation of any funds for any charitable purpose, as defined in section 407.453, in or from the state of Missouri, is declared to be an unlawful practice.... Any act, use or employment declared unlawful by this subsection violates this subsection whether committed before, during or after the sale, advertisement, or solicitation.

8. “Person” is defined as “any natural person or his legal representative, partnership, firm, for-profit or not-for-profit corporation, whether domestic or foreign, company, foundation, trust, business entity or association, and any agent, employee, salesman, partner, officer, director, member, stockholder, associate, trustee or cestui que trust thereof.”

§ 407.010(5).

9. “Merchandise” is defined as “any objects, wares, goods, commodities, intangibles, real estate, or services.” § 407.010(4).

10. “Sale” is defined as “any sale, lease, offer for sale or lease, or attempt to sell or lease merchandise for cash or on credit.” § 407.010(6).

11. “Trade” or “commerce” is defined as “the advertising, offering for sale, sale, or distribution, or any combination thereof, of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated. The terms ‘trade’ and ‘commerce’ include any trade or commerce directly or indirectly affecting the people of this state.” § 407.010(7).

12. Defendant has advertised merchandise in trade or commerce within the meaning of § 407.010.

13. Pursuant to authority granted in § 407.145, the Attorney General has promulgated rules explaining and defining terms utilized in §§ 407.010 to 407.145 of the Merchandising Practices Act. Said rules are contained in the Missouri Code of State Regulations (CSR). The rules relevant to Plaintiff’s Merchandising Practices Act allegations include, but are not limited to, the provisions of 15 CSR 60-3.010 to 15 CSR 60-14.040. These rules are adopted and incorporated by reference.

ALLEGATIONS OF FACTS RELEVANT TO ALL COUNTS

14. From at least November 2010, until July 2012, Defendant sold exterior restoration services to Missouri consumers including roof and siding replacement.

15. Defendant contracted with consumers to provide exterior restoration services in exchange for an upfront payment.

16. After promising consumers he would begin the work, Defendant failed to provide the goods or services stated in the contract.

17. Defendant accepted at least \$4,000 from at least two consumers for goods and services not provided.

18. As of the date of this petition, Defendant has not provided the goods or services nor refunded the consumers.

Consumer Example

19. Jeffrey Peterson signed a contract with Defendant on May 22, 2012 for exterior restoration work on his home at 6101 Heritage Highway in Jefferson City, Missouri.

20. Peterson contracted with Defendant to replace his siding.

21. Peterson paid Defendant the full price of the contract of \$3,273.00 on May 22, 2012 by personal check.

22. Defendant agreed to begin the work on June 14, 2012.

23. After Defendant did not begin work on June 14, Peterson

attempted to contact Defendant numerous times but either received no answer or was given excuses as to why the job was not being done.

24. As of the date of this petition, Peterson has not received any work from Defendant.

25. As of the date of this petition, Peterson has not received a refund from Defendant.

VIOLATIONS

COUNT I- FALSE PROMISE

26. Plaintiff incorporates all allegations stated above.

27. Defendant has engaged in conduct that violates § 407.020 by falsely promising that he will provide roofing exterior restoration services to consumers, which was false or misleading as to Defendant's intentions or ability to perform the promise or the likelihood the promise would be performed.

COUNT II - DECEPTION

28. Plaintiff incorporates all allegations stated above.

29. Defendant engaged in methods, acts, uses and practices of deception in connection with the sale of construction, remodeling and roofing services, in violation of § 407.020 by using the method, act, use, practice, advertisement or solicitation to consumers that construction and home remodeling services contracted would be provided according to the terms of

the agreement, which had the tendency or capacity to mislead, deceive or cheat, or that tended to create a false impression.

RELIEF

WHEREFORE, Plaintiff prays this Court enter judgment:

- A. Finding that the Defendant has violated the provisions of § 407.020.
- B. Issuing a preliminary and permanent injunction pursuant to § 407.100 prohibiting and enjoining Defendant and his agents, servants, employees, representatives, and other individuals acting at his direction or on his behalf from:
 - i. Owning, managing, operating, performing, offering, advertising, soliciting, or selling any home remodeling, home repair or construction services in the State of Missouri, except to the extent necessary to complete work already paid for by Missouri homeowners;
 - ii. Expending or otherwise disposing of any funds that Defendant received from Missouri homeowners as initial, up-front, or down payments for work that has not yet been completed.
- C. Requiring Defendant pursuant to § 407.100.4 to provide full restitution to all consumers from whom Defendant has received monies and

who have been aggrieved by the use of any of the unlawful, unfair or deceptive acts and practices alleged herein.

D. Requiring Defendant pursuant to § 407.100.6 to pay to the State a civil penalty in such amounts as allowed by law per violation of Chapter 407 that the Court finds to have occurred.

E. Requiring Defendant pursuant to § 407.140.3 to pay to the State an amount of money equal to ten percent (10%) of the total restitution ordered against Defendant, or such other amount as the Court deems fair and equitable.

F. Requiring Defendant pursuant to § 407.130 to pay all court, investigative, and prosecution costs of this case.

G. Granting any additional relief that the Court deems proper in the premise.

Respectfully submitted,

CHRIS KOSTER
Attorney General

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